

TALENT TRENDS

BUILDING YOUR WORKFORCE FOR THE FUTURE

MAY 22, 2018

Dan Rubin
Partner
Mercer

Jason Stewart
Principal
Mercer



“What worries many job experts is that automation may prevent the economy from creating enough new jobs... Throughout history, the trend has been to bigger production with a smaller workforce... Many of the losses in factory jobs have been countered by an increase in the service industries or in office jobs. But automation is beginning to move in and eliminate office jobs, too.”

– “The Automation Jobless”
TIME Magazine

AUDIENCE POLL: WHEN WAS THIS *TIME* ARTICLE PUBLISHED?

Take the poll in the app or text 132961 to 79905.

- A. 1961
- B. 1984
- C. 2002
- D. 2017

[VIEW THE RESULTS](#)

A YEAR OF ACTION, NOT ANTICIPATION LIVING PAST THE INFLECTION POINT

WHAT WE KNOW

WHERE WE ARE AT

WHERE WE ARE HEADING

TECHNOLOGY

INFLECTION POINT

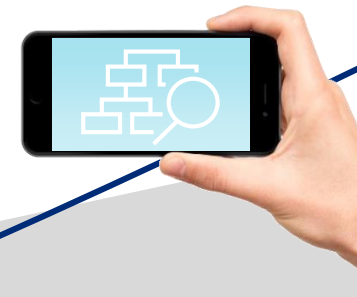
DISRUPTIVE TECHNOLOGY



BIG DATA MANAGEMENT



INTERACTIVE
DATA LAYER



AUGMENTED
HUMANITY



HUMAN

THREE IMPORTANT QUESTIONS

FUTURE OF JOBS

How should work be organized and how can value be created?

HUMAN INSIDE

How do we ensure our people thrive during change?

REGENERATION

How do we accelerate our own workforce transformation?



MERCER'S GLOBAL TALENT TRENDS 2018

WHO WE HEARD FROM



7,648 VOICES

44 COUNTRIES

21 INDUSTRIES

Board Directors

- Increased competition for talent this year
- 50% have transformation metrics on scorecard

HR

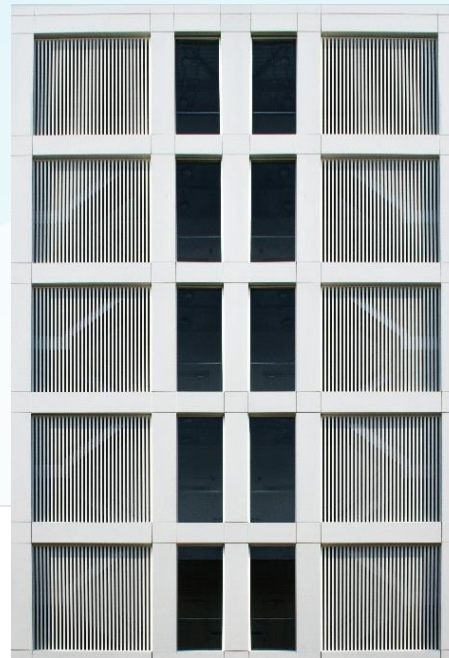
- Only 20% say the Employee Experience is part of their people strategy

C-Suite

- 25% expect significant industry disruption
- Need to get people to jobs and jobs to people

Employees

- 65% feel energized in current role



MERCER 2018 STUDY FINDINGS

TOP TRENDS



CHANGE
@SPEED



WORKING WITH
PURPOSE



PERMANENT
FLEXIBILITY



PLATFORM
FOR TALENT



DIGITAL FROM
THE INSIDE OUT

AUDIENCE POLL



WHICH OF THE FIVE TRENDS RESONATES MOST WITH YOU?

Take the poll in the app or text 132962 to 79905.

- ☐ Change@Speed
- ☐ Working with Purpose
- ☐ Permanent Flexibility
- ☐ Platform for Talent
- ☐ Digital from the Inside Out

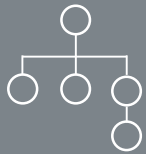
[VIEW THE RESULTS](#)



MOLTEN STRUCTURES – THE NEED FOR PLASTICITY



Executives: **20%** of current roles will not exist in five years



96%

of executives
are planning
structural changes
this year

Top changes being planned by the C-suite

1. Moving support functions to shared services
2. Eliminating certain roles/functions/depts
9. **3. Increasing regional control**
4. Building int/ext networked communities
5. Flattening organizational structures
6. Forming self-driven, holacratic work teams
2. **7. Decentralizing authority**

Reasons cited for these changes

1. Greater efficiency
8. **2. Increased automation**
3. Reduced costs
4. Increase agility
5. Increased innovating
6. Increased digitalization
7. Increased speed to market
3. **8. Greater customer intimacy**



EXPONENTIAL LEARNING AND INNOVATION

94%

of executives say innovation is a core part of their 2018 agenda

39%

have specific funding

C-suite predict **+20%** of roles in their org will cease to exist in 5 years

JOB DISPLACEMENT



HR Most confident :

- filling new vacancies externally
- redeploying talent internally



Least:

- reskilling talent
- identifying roles that will be impacted

UNIQUELY HUMAN SKILLS ARE MOST IN DEMAND

- Innovation
- Digital competence
- Global mindset
- Data analysis / predictive modeling
- Complex problem solving
- Change management
- Inclusive leadership

TOP STRATEGIES FOR ADDRESSING THE FUTURE OF WORK

1. Upskilling digital competence (42%)
2. Increasing access to online learning (40%)

1 out of 3 companies are:

- Deploying rapid internal skills training
- Implementing agile work practices
- Enhancing sales skills across the organization
- Automated/digitized role identification
- Stepping up career coaching



CHANGE@SPEED: PREPARING FOR THE FUTURE OF WORK

1

Enable managers to lead in a **multi-speed** and **multi-partner environment** through integrated people planning and enhanced change management discipline.

2

Embrace exponential learning by creating a virtuous cycle between skill needs, learning access, and hands-on development experiences.

3

Cultivate a lab mindset by increasing the aptitude for data, the prevalence of digital competence, and an appetite for experimentation.



Future Of Work Analytics

- Role-Fit Quotient
- Resiliency Analysis
- Career breadth and velocity monitoring
- Innovation metrics



HOW IS THE VALUE PROPOSITION EVOLVING?

The Loyalty Contract (20th Century)

Basic Needs:

Pay, Benefits, Security

Workers are assets to be retained

Pay and benefits for time and output

The Engagement Contract (Today)

Psychological Needs:

Achievement, Camaraderie, Equity

Employees are assets to be acquired and optimized

Broader set of rewards (pay, benefits, career, experiences) in exchange for org. engagement

The Thrive Contract (The Next Chapter)

Growth Needs:

Purpose, Meaning, Impact

People and machines as value creators to invest in

Personalized rewards in exchange for a wide range of contributions

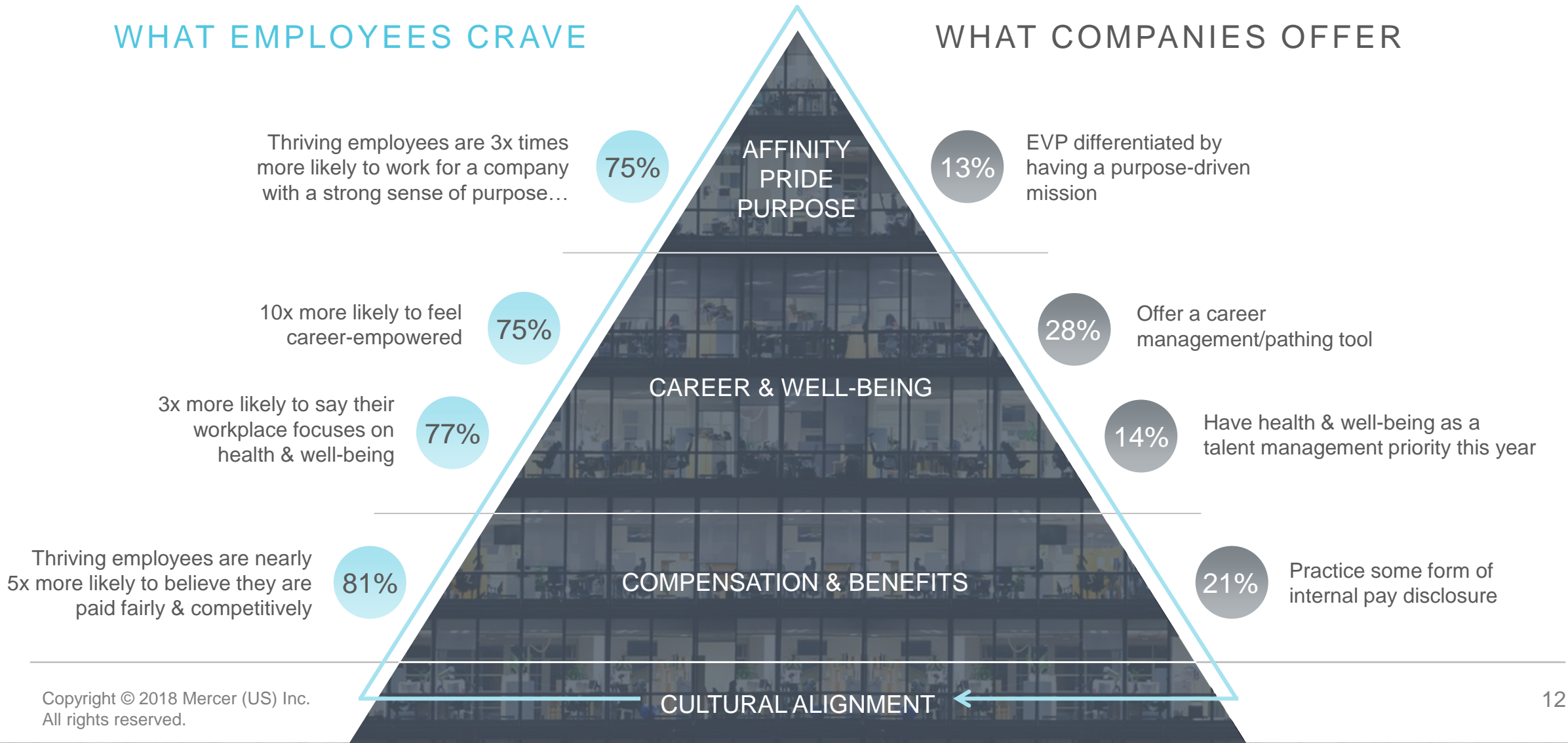




WORKING WITH PURPOSE: THE EMPLOYMENT EQUATION

WHAT EMPLOYEES CRAVE

WHAT COMPANIES OFFER





WORKING WITH PURPOSE: PREPARING FOR THE FUTURE OF WORK

1

Embrace the **science of personas** to develop Total Rewards propositions that resonate with your target populations.

2

Approach the employee relationship as a **two-way dialogue** and focus on the **fabric of the career experience**.

3

Water test your EVP using data from inside and outside the firm to stay on the pulse of candidate and employee perceptions.



Future Of Work Analytics

- Internal Labor Market maps
- Parity Analysis
- Persona Cluster Analysis
- Sentiment Analysis



WHY DO WE NEED A NEW WAY TO TALK ABOUT WORK?

TALENT SCARCITY/ DECLINE IN PRODUCTIVITY

RISE OF THE FREE AGENT

MOBILE WORKING

WHEN work is done

- Hours and timing
- Discretion to change

WHERE work is done

- Location & ability to vary
- Infrastructure

WHAT work is done

- Vary job content
- Ability to share or exchange

HOW work is done

- Vary intensity
- Scale up or down

WHO does the work

- Distributed beyond traditional workforce
- Automated



PERMANENT FLEXIBILITY: THE EMPLOYEE EXPERIENCE



71% of **thriving** individuals say their company offers them flexible work (compared to 32% of non-thriving)

51% of all employees want more flexibility

BUT...

36% have had a request for flex turned down

41% are concerned that flexibility will impact promotional prospects



Employees (FT and PT) who say they would consider working on a contract basis



Execs declare that workplace flexibility is a core part of their stated value proposition

49% in 2017

94% of HR have concerns

- Ability to apply fairly to all employees
- Impact on teamwork and face-to-face collaboration
- Ability to measure and reward contribution
- Ability to manage career progression
- Impact on results/output



PERMANENT FLEXIBILITY: PREPARING FOR THE FUTURE OF WORK

- 1 Address the real **barriers to making flexible working** the norm.
- 2 Create **stable** flexible work arrangements as well as **on-demand** options.
- 3 **Flex loudly** and empower people to manage their digital lives.



Future Of Work Analytics

- Flexibility Quotient
- Work Value Analysis
- ROI of adaptive working models



C-SUITE VERSUS HR PRIORITIES

WHAT THE C-SUITE SAYS WILL HAVE THE MOST BUSINESS IMPACT

	HR PRIORITIES	2017 C-SUITE
1 Improving ability to move jobs to people and people to jobs (44%)	10	↑ 7
2 Enhancing employee experience		↑ 4
3 Accelerating time-to-productivity for new hires	7	↑ 10
4 Simplifying talent processes		↑ 6
5 Optimizing total rewards proposition	11	
6 Deepening the bench strength at senior levels	1	

EMPLOYEE VIEW

What would help you perform better at work?

- 1 Additional benefits for high performers
- 2 Better work tools to do the job
- 3 Clear performance ratings
- 4 Create team goals
- 5 More regular feedback

What
changes:

Human resources



People and tech assets

Talent data



Talent insights

Contractual model



Partnership model



ANALYTICS ARE CRITICAL TO EMBRACING A PLATFORM MODEL

Improved alignment over last year on Analytics

Most value adding to your business?

C-suite

What HR says they offer today

Which training programs are the most effective?

1

2

When based on performance outcomes, is it better to build, buy, or borrow talent?

2

6

What causes people to leave/stay with the organization?

3

1

77% of companies use online assessment tools today

(62% game-based assessments, 66% virtual day-in-the life centers)

We are getting there but not fast enough

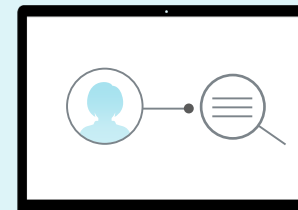
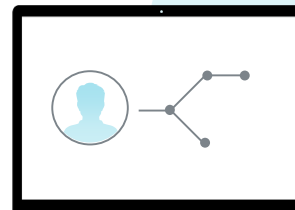
91% cite a range of roadblocks in delivering on the vision of predictive analytics

1. Lack of integration among data systems
2. Lack of management experience in using data
3. Lack of analytical skills in COEs / within HR
4. Time to get up-to-date and accurate data

SELF-DRIVE
PROFILING

INTELLIGENT
SOURCING

ONCE CONNECTED
NEVER LOST





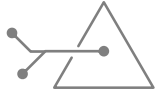
PLATFORM FOR TALENT: PREPARING FOR THE FUTURE OF WORK

- 1 Develop a **new lexicon** for tasks and people.
- 2 Get creative around **mobility and internal gigs**.
- 3 Aggressively focus on the **metrics that matter**.

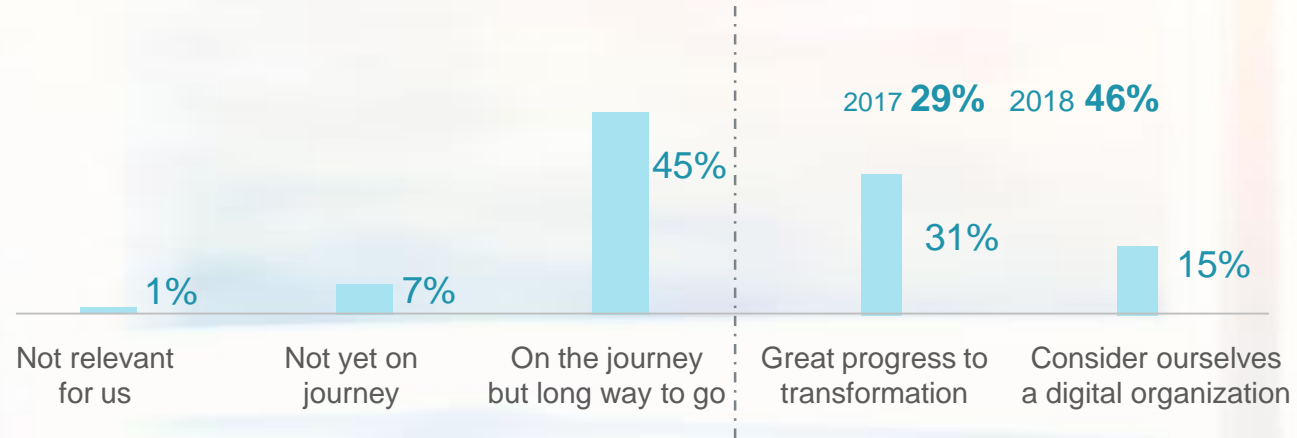


Future Of Work Analytics

- Individual and team productivity dashboards
- Movement metrics
- Automated feedback graphs
- Project matching scores



DIGITAL FROM THE INSIDE OUT



TALENT
ACQUISITION &
REWARDS MGMT

PERFORMANCE
MGMT & SALES
MGMT

HUMAN CAPITAL
MANAGEMENT
SYSTEM / HRIS

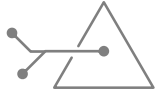
TOTAL REWARDS /
BENEFITS PORTAL
& E-LEARNING

CAREER MGMT &
ONBOARDING
TOOLS

ANALYTICS,
CONTINUOUS FDBK
& PRODUCTIVITY

REMOTE WORKING
& SMART OFFICE

Where companies are focusing on depends on industry, country, and maturity of business



IMPORTANCE OF BUILDING A DIGITAL CULTURE

The impact of technology is being felt most at the top of the house – especially with regard to responsibilities relevant to the future of work.



Nearly **six in ten** senior leaders say their role has changed due to digital technologies

compared to only **2 in 10** individual contributors

- ✓ Be transparent around the company's digital journey and benefit for employees
- ✓ Equip managers to discuss future jobs, and the required mindsets and skillsets
- ✓ Increase exposure to digital tools and competitor new entrants
- ✓ Reward adoption / trying new things

TARGET PICTURE



EFFECT ON THE WORKFORCE



DIGITAL COMPETENCE

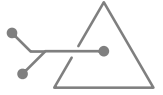


NEW WORK



DIGITAL CULTURE





DIGITAL FROM THE INSIDE OUT: PREPARING FOR THE FUTURE OF WORK

1 Create transparency around the **automation roadmap** and its implications.

2 Be intentional about how to cultivate a **digital-first culture**.

3 For the highest return, invest in tools that:
Foster **two-way dialogue** (collaboration and teaming)
Support **growth** (careers and learning)
Leverage AI and ML for stronger **predictive analytics**



Future Of Work Analytics

- Human Digital Quota
- External Employee NPS and digital survey results
- Productivity metrics
- ROI of digital transformation

AUDIENCE POLL



AFTER HEARING THESE FIVE TRENDS, WHICH OF THE FOLLOWING TALENT ACTIONS WILL BE AT THE TOP OF YOUR PRIORITY LIST?

Take the poll in the app or text 132963 to 79905.

- ☐ Redesigning our organizational structure and redefining jobs
- ☐ Upskilling and reskilling our employees
- ☐ Deepening our bench strength at senior levels
- ☐ Enhancing the employee experience
- ☐ Optimizing our total rewards strategy

[VIEW THE RESULTS](#)

CONCLUSION



CHANGE
@SPEED



WORKING WITH
PURPOSE



PERMANENT
FLEXIBILITY



PLATFORM
FOR TALENT



DIGITAL FROM
THE INSIDE OUT



CONTACT US



Dan Rubin
Partner
Mercer

dan.rubin@mercer.com
312.917.9431



Jason Stewart
Principal
Mercer

jason.stewart@mercer.com
713.276.2260

Visit www.mercer.com/global-talent-trends
to download the full report.



MERCER

MAKE TOMORROW, TODAY